

IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
December 21, 2015

Board Members Present

Mark Leonard, Chair	John Fredrickson
Lyle Borg, Vice Chair	Annette Townsley
Stacie Euken	

Board Members Absent

None

Staff Members Present

Lori Beary, Community Development Director	Tammy Nebola, IADD Program Specialist
Steve Ferguson, IADD Program Specialist	Michelle Thomas, Accounting Manager

Others Present

Dave Claypool, Dorsey & Whitney

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on December 21, 2015 at 8:31 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley.

REVIEW OF MINUTES OF NOVEMBER 24, 2015 BOARD MEETING

Mr. Leonard presented the minutes of the November 24, 2015 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes. There were a few revisions pointed out that needed to be made on pages 3 and 6.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the minutes of the November 24, 2015 IADD Board meeting with the revisions as noted.

REVIEW OF NOVEMBER 2015 FINANCIAL STATEMENT

Michelle Thomas presented the November 2015 financials. She stated that for FY16 year-to-date, IADD had operating income of \$270,281 operating expense of \$215,924 and net operating income of \$54,357.

MOTION

On a motion by Mr. Borg and a second by Ms. Townsley, the Board unanimously approved the November 2015 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0209 - Ryan P. and Kristen P. Dekkers. The LPP application is for \$150,000. The borrower will purchase approximately 2.5 acres and construct (2) 1,200 Hd Hog Confinements and purchase 40 cows. Total project cost is \$800,000. The bank is Northwestern Bank in Orange City.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the loan participation for Ryan P. and Kristen P. Dekkers subject to receiving an Assignment of Feeding Contract from FCS and an Inter-creditor agreement concerning excess collateral of a 2nd mortgage on borrowers personal residence - In event of liquidation the proceeds from the 2nd mortgage are to be split on a pro-rata basis instead of a last out for the IADD.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Tammy Nebola presented the following resolution to adjust the terms and conditions on a closed BFLP project:

Resolution 04029M – Brandon L. Laubenthal – Farmers & Traders Savings Bank in Bancroft is the lender. The amendment will remove prepayment language “Prior to January 5, 2016, payments in excess of payments provided for in this note are not allowed” so loan can be paid off, Brandon was killed in an accident in January 2015. All other loan terms remain the same. Eff. 12/01/2015.

MOTION

On a motion by Mr. Borg and a second by Ms. Townsley, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolution.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans

AG 15-093 – Nathan D. Sunderman – Beginning farmer loan of \$118,590 to purchase approximately 40.33 acres of agricultural land in Sac County. The loan will have a 3.59% variable interest rate and a loan length of 30 years. The index will be 2.25% above the weekly average yield on United States Treasury securities adjusted to a constant maturity of 5 years. The lender is Bank Iowa in Clarinda, Iowa.

AG 15-094 – Jason W. and Lindsie A. Sandifer – Beginning farmer loan of \$515,000 to purchase approximately 238 acres of agricultural land, house and out-buildings in Wapello County. The

loan will have a 3.80% variable interest rate and a loan length of 25 years. The index will be 80% of South Ottumwa Savings Bank's 5 year CMT adjustable rate loan; Rate ceiling 11.00%; Rate floor 3.80%; 2.00% rate adjustment cap at each rate change. The lender is South Ottumwa Savings Bank in Ottumwa, Iowa.

AG 15-095 – Peter T. and Elizabeth L. Smith – Beginning farmer loan of \$290,905 to purchase approximately 80 acres of agricultural land in Cass County. The loan will have a 3.00% variable interest rate and a loan length of 30 years. The index will be 75% of Bank's 10 year rate. The lender is First Whitney Bank & Trust Co in Atlantic, Iowa.

AG 15-096 – Barry and Kristen Spaans – Beginning farmer loan of \$100,861 to purchase approximately 40 acres of agricultural land in Sioux County. The loan will have a 4.25% variable interest rate and a loan length of 30 years. The index will be the 1 year Treasury + 2.25%; fixed for 5 years. The lender is American State Bank in Alvord, Iowa.

AG 15-097 – Jacob T. and Brandi M. Adams – Beginning farmer loan of \$365,000 to purchase approximately 155 acres of agricultural land and out-buildings in Jefferson County. The loan will have a 3.25% variable interest rate and a loan length of 30 years. The index will be equal to Wall Street Journal Prime Rate; fixed for 10 years. The lender is First National Bank in Fairfield, Iowa.

AG 15-098 – Seth W. Kloetzer – Beginning farmer loan of \$297,675 to purchase approximately 63 acres of agricultural land in Franklin County. The loan will have a 3.25% variable interest rate and a loan length of 30 years. The index will be 2.00% above the weekly average of the 1 year US Treasury Index as published by the Federal Government; fixed for 5 years. The lender is Green Belt Bank & Trust in Iowa Falls, Iowa.

AG 15-099 – Brent E. Rozendaal – Beginning farmer loan of \$121,000 to purchase approximately 45 acres of agricultural land, house and out-buildings in Jasper County. The loan will have a 3.80% variable interest rate and a loan length of 30 years. The index will be 85% of 2.50% over the 5 year U.S. Treasury Rate; fixed for 10 years; Rate floor 3.80%. The lender is U.S. Bank, N.A. in Boone, Iowa.

AG 15-100 – Garrett L. and Dawn Tingwald – Beginning farmer loan of \$277,500 to purchase approximately 75 acres of agricultural land in Boone County. The loan will have a 3.95% variable interest rate and a loan length of 30 years. The index will be 85% of 2.75% over the 5 year U.S. Treasury Rate; Fixed for 10 years. The lender is U.S. Bank, N.A. in Boone, Iowa.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board recommended approval of the BFLP applications.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on December 21, 2015 at 9:01 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:02 am.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board unanimously recommended approval of the BFLP Bond documents.

CUSTOM FARMING TAX CREDIT APPLICATIONS

Steve Ferguson presented a summary of the Custom Farming Tax Credit applications. There were 20 new BFCF applications for an estimated tax credit amount of \$81,222.36.

MOTION

On a motion by Ms. Euker and a second by Ms. Townsley, the Board unanimously recommended approval of the Custom Farming Tax Credit applications as presented.

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were 3 requests to reduce the cash rent, 1 to change from a cash rent to crop share, 1 change of owner name and 1 adding machinery to lease.

MOTION

On a motion by Mr. Borg and a second by Mr. Fredrickson, the Board unanimously recommended approval of the Beginning Farmer Tax Credit change requests.

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Mr. Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events.

OTHER BUSINESS

REQUEST FROM STEM ADVISORY COUNCIL

Lori presented a memo and funding proposal from the Governor's STEM Advisory Council. IFA was approached asking if the IADD Board would be interested in funding any of the Ag education programs through STEM.

Mr. Borg was not excited about participating in funding the STEM programs and feels that the IADD budget would be better directed towards programs that affect agriculture and beginning farmers more directly.

SUMMARY OF BFLP FOR THE YEAR

The Beginning Farmer Loan Program allocation for the year is estimated to be 17.5 million closed for 2015 which is 5 million over last year.

NEXT IADD BOARD MEETING

The January IADD Board meeting will be Tuesday, January 26, 2016 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. Euken, the December 21, 2015 meeting of the IADD Board of Directors adjourned at 9:18 am.

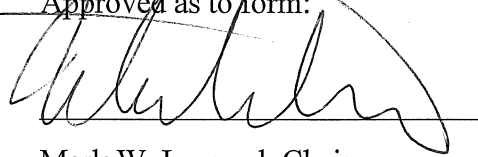
Dated this 21st day of December, 2015.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Mark W. Leonard, Chair
IADD Board